


## **PRESS NOTE**

1) The Electricity Department – Goa is procuring most of its power needs from Central Generating Stations (CGS). The State has to procure also solar and non solar power to meet Renewable Power Obligation as per the target set by the Hon'ble JERC. In case of shortage of power from CGS, short term power from open market, power from power exchange platforms, over drawl from the grid is also purchased to meet the need of the consumers. This type of power (other than regular allotted power) is much more costlier than regular power. This effects the quarterly imposed FPPCA.

The rates of the power generating Govt. Enterprises are fixed by Hon'ble Central Electricity Regulatory Commission (CERC). These Orders issued by CERC affect the payments. Accordingly for the period Jan 2017 to March 2017(4<sup>th</sup> Quarter of FY 2016-17) Electricity Department had to pay Rs. 92.58 Crores towards arrears amount to NTPC Ltd. Therefore the FPPCA charges for 4<sup>th</sup> Quarter of FY 2016-17 were very high. However for the next Quarter i.e. for the 1<sup>st</sup> Quarter (April 17-June 17) of FY 2017-18, there was credit amount of Rs. 137 Crores passed on by NTPC due to differential Income Tax revision. The effect of this was FPPCA charges came negative.

2) Payments to these generators are made on weekly /monthly basis by the department. The coal based generators purchase coal from the domestic or international market, which vary on day to basis.

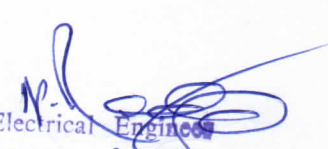
3) In order to match the payment to be made to the generators and for other sources made by the Utilities, the Joint Electricity Regulatory

  
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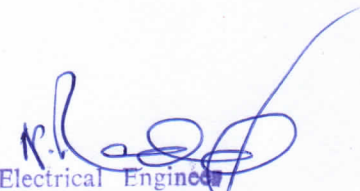
Commission allows the department and other UTs under their umbrella to recover the amount paid to the power suppliers by way of order dated 27/6/2012 for Fuel & Power Purchase Cost Adjustment Formula (FPPCA) in compliance of Judgment dated 11.11.2011 in OP No. 1 and as required to be specified under Clause 7 (2) of Joint Electricity Regulatory Commission for State of Goa and UTs (Terms and Conditions for Determination of Tariff) Regulations 2009. In each year's Tariff Order, JERC approves power purchase cost per unit and also the applicable categorywise and slab wise 'K' factor. Accordingly, every quarterly bulk power purchase cost is computed and anything goes above /below the approved cost has to be recovered/ refunded from/to Consumers except for LIG, LTAG & HTAG consumers, in accordance with the terms and conditions specified in the FPPCA formula/JERC regulations.

It is always not the situation wherein Department only recovers these charges from consumers but there have been many instances where credit has been passed on to the consumers. To site an example the last Quarter was total Credit case to all consumers as FPPCA charges were negative. However, it is observed that Media is high lighting in Bold letters in case of recovery cases and never highlight credit cases which happened in the last quarter itself.

**It is hereby brought to the notice of all EDG consumers and public in general that, this is a routine practise which is being followed by this Department since 2012 & this is not only by this Department but similar action since active functioning of respective ERC by all Utilities in the country. As per Regulation of JERC, every Quarterly FPPCA are bound to be calculated and credit /debit will have to be**

  
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**passed on to the consumer. The entire process is based on JERC  
Regulation and formula.**



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